

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Ex Parte No. 711

PETITION FOR RULEMAKING TO ADOPT REVISED
COMPETITIVE SWITCHING RULES

234867
ENTERED

Office of Proceedings
September 23, 2013
Part of Public
Record

NOTICE OF THE ASSOCIATION OF AMERICAN RAILROADS'
INTENT TO PARTICIPATE AT THE OCTOBER 22, 2013 HEARING

Pursuant to the Board's order served August 13, 2013, the Association of American Railroads ("AAR") hereby notifies the Board of its intent to participate in the oral hearing scheduled for October 22 in the captioned proceeding. AAR will present its views through the testimony of five witnesses. The witnesses and the topics they will address are identified below.

Michael R. Baranowski – Mr. Baranowski, who is a Senior Managing Director and head of FTI Consulting's Network Industries Strategies practice, submitted verified statements in support of AAR's initial and reply comments on March 1 and May 30, 2013. Mr. Baranowski will elaborate on aspects of his prior statements, including:

- The potential scope of the National Industrial Transportation League ("NITL") proposal and AAR's evidence that a substantial volume of traffic could be affected by mandated switching.
- The incompleteness and unreliability of scope and impact estimates submitted by commenters other than AAR.

William J. Rennie – Mr. Rennie, who is a Partner with Oliver Wyman, Inc., specializing in transportation strategic planning, submitted verified statements in support of AAR's initial and reply comments on March 1 and May 30, 2013. Mr. Rennie will elaborate on aspects of his prior statements, including:

- The potential adverse effects of forced switching on rail operations and service quality.

- The flaws in conducting an impact analysis of forced switching based on an assumption that switching will not occur.
- The negative impact of forced switching on infrastructure investment.
- The absence of a justification for incurring the risks of service disruptions and reduced infrastructure investment by imposing forced switching.

B. Kelly Eakin – Mr. Eakin, a senior vice president of Christensen Associates and one of the principal authors of the Christensen Associates railroad competition studies prepared for the Board, submitted verified statements in support of AAR’s initial and reply comments on March 1 and May 30, 2013. Mr. Eakin will elaborate on aspects of his prior statements, including:

- The asymmetric impact on shippers of the NITL proposal, which would create winners and losers among shippers.
- The unsubstantiated claims by some commenters that mandated switching would lead to traffic increases that would at least partially mitigate the negative impact of the NITL proposal on railroads.

Phil C. Ireland – Mr. Ireland, a former vice president of Canadian Pacific, submitted a verified statement in support of AAR’s reply comments on May 30, 2013. Mr. Ireland will elaborate on aspects of his prior statement, including:

- The fundamental differences between the Canadian and U.S. rail networks that make it impossible to use the Canadian experience with interswitching as a basis for assessing the effects of forced switching in the United States.
- The flaws in NITL’s use of Canadian switching statistics to predict the extent of switching that would occur in the United States under a forced switching regulatory regime.

Samuel M. Sipe, Jr. – Mr. Sipe, who is outside counsel for AAR in this proceeding, filed initial and reply comments on behalf of AAR in this proceeding on March 1 and May 30, 2013.

Mr. Sipe will address issues raised by comments filed in this proceeding, including:

- The impossibility of predicting with precision the consequences of adopting the NITL proposal based on the comments submitted in this proceeding.

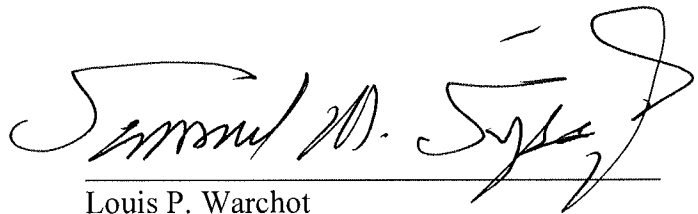
- The substantial evidence of serious risks posed by the NITL proposal to the nation's rail network and to rail users who would receive no benefit from the proposal.
- The lack of any evidence of public benefits that would justify taking the risk of service declines and reduced infrastructure investment that would result from the NITL proposal.
- The lack of any basis in the record for proceeding further with consideration of the NITL proposal.

AAR requests that its witnesses present their testimony as members of a panel and that they be allotted 75 minutes to present their testimony.

Respectfully submitted,

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